

Message Text

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PAGE 01 OTTAWA 01611 312117Z
ACTION TRSE-00

INFO OCT-01 EUR-12 ISO-00 XMB-04 SSO-00 EB-08 COME-00
H-02 INRE-00 USIE-00 AID-05 CIAE-00 FRB-01 INR-10
NSAE-00 OPIC-06 SP-02 LAB-04 SIL-01 OMB-01 /057 W
-----067064 312121Z /75

O 312114Z MAR 78
FM AMEMBASSY OTTAWA
TO SECSTATE WASHDC IMMEDIATE 6869
INFO AMEMBASSY BRUSSELS
AMEMBASSY PARIS

UNCLAS OTTAWA 01611

BRUSSELS FOR EEC

PARIS FOR OECD

DEPT. PASS TREAS, EXIM

E.O. 11652:N/A
TAGS: EFIN, ETRD, CA
SUBJECT: MIXED CREDITS

REF: STATE 75697

1. CANADIAN PRACTICES AND POLICY CONCERNING USE OF MIXED
CREDITS AND TIED, NON-ODA AID CREDITS REQUESTED REFTEL ARE
AS FOLLOWS:

A. MIXED CREDITS: GOC DEFINES A "MIXED CREDIT" AS THE
BLENDING INTO A SINGLE LOAN OF COMMERCIAL AND OFFICIAL
EXPORT CREDITS. ACCORDING TO THIS DEFINITION, THE GOC
DOES NOT EMPLOY MIXED CREDITS. HOWEVER, GOC DOES EMPLOY
A PRACTICE TERMED "PARALLEL FINANCING". PARALLEL FINANCING
INVOLVES THE ESTABLISHMENT OF SEPARATE LINES OF CREDIT
BETWEEN BORROWING COUNTRIES AND THE EXPORT DEVELOPMENT
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CORPORATION (EDC) AND CIDA. DRAWDOWNS BY RECIPIENTS ON
LINES OF CREDIT WITH CIDA MUST BE FOR DEVELOPMENT PURPOSES
AND MUST BE MADE PARI PASSU WITH DRAWDOWNS ON EDC CREDIT
LINES TO ENSURE A BALANCED USE OF HIGHLY CONCESSIONAL AND
LESS CONCESSIONAL FUNDS. REPAYMENT OBLIGATIONS ON THE TWO
LINES OF CREDIT ARE SEPARATE. THUS, IN GOC VIEW, THE
COORDINATED USE OF EDC AND CIDA LINES OF CREDIT IS CONCEP-

TUALLY DISTINCT FROM A MIXED CREDIT.

PARALLEL FINANCING ARRANGEMENTS HAVE BEEN MADE WITH INDONESIA AND JAMAICA. FOR INDONESIA, THE EDC CREDIT LINE IS CDOLS 185 MILLION AND THE CIDA LINE IS CDOLS 15 MILLION. THE EDC AND CIDA LINES OF CREDIT IN JAMAICA ARE CDOLS 65 MILLION AND CDOLS 10 MILLION RESPECTIVELY. THE CREDIT LINE FOR JAMAICA WAS ESTABLISHED IN 1976; THAT FOR INDONESIA, IN 1975.

B. TIED NON-ODA AID CREDITS: CANADIAN BILATERAL AID IS HIGHLY CONCESSIONAL. THERE ARE NO LOANS WITH A GRANT ELEMENT LESS THAN 25 PERCENT. PLACKE

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NNN

Message Attributes

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Draft Date: 31 mar 1978
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Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 jan 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
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Review Withdrawn Fields: n/a
SAS ID: 3217851
Secure: OPEN
Status: NATIVE
Subject: MIXED CREDITS
TAGS: EFIN, ETRD, CA
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/fe0538be-c288-dd11-92da-001cc4696bcc
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Sheryl P. Walter
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